



Presented by Mayor Sharon Wolcott on February 17, 2015

Good morning.

It's great to see all of you today.

Thank you so much for your continued interest in the city of Surprise and for your support of our efforts.

Before getting started,

I want to take a moment to thank the Chamber's board of directors and today's co-sponsor Sun Health for providing me the opportunity to present my 2015 State of the City Address.

I'm very proud of my council colleagues here today and I offer them a warm welcome.

Join me in welcoming.... Roland Winters, Jim Biundo, Rachel Villanueva, Skip Hall and Todd Tande.

A special welcome to State Representative Rick Gray... Goodyear Mayor Georgia Lord... Maricopa Mayor Christian Price... and new Peoria Mayor Cathy Carlat.

Thank you all for being here this morning.

This is a very exciting time for Surprise and I'm thrilled to tell you the state of our city is filled with renewed optimism and endless possibilities.

Today, I hope it will be as clear to you as it is to me, that we are making significant progress on our J.E.T. initiative — Jobs, Education and Transportation.

We pulled J.E.T. out onto the runway by bringing our financial house in order.

Today, we are taking off and heading to exciting, new destinations.

Today's stop ... *Japan!*

We've been successful at attracting foreign direct investment before with companies like Gestamp and Rioglass Solar, both Spanish companies making their American home here in Surprise.

It's hard to overstate the impact of companies not only locating their manufacturing operations, but establishing a corporate presence here as well.

Corporate headquarters bring executive wage jobs that stimulate the performance of local economies.

Today, it gives me great pleasure to announce that a leading manufacturer of high-quality plastic storage products will soon be building its new headquarters for its Western U.S. operations right here in Surprise.

IRIS USA, a subsidiary of IRIS Ohyama in Japan, will construct a nearly 300,000-square-foot facility in our Southwest Railplex Industrial Park.

This new facility will also serve as a manufacturing and distribution center and feature one of the top manufacturing systems in the world!

This new project will create 100 new jobs for our community.

Tonight, my colleagues on the City Council and I will vote on a development agreement that will formally bring IRIS USA to Surprise.

This new business locate represents a nearly \$40 million private investment in our community and will generate \$800,000 of new revenue for the city in just its first year of operation.

In addition to the manufacturing and distribution of their products, IRIS will dedicate space in its facility for research and development on a new commercial L-E-D division.

Company officials hope to have the Surprise facility open by this fall.

We are pleased that IRIS USA President Chet Keizer is here with us today for this great announcement.

Please join me in welcoming Mr. Keizer as the newest partner to the Surprise family.

In addition to the city, this business locate was a joint effort with our partners at the Arizona Commerce Authority and the Greater Phoenix Economic Council.

I see that Allison Gilbreath, ACA's vice president and Chris Camacho, GPEC's president and CEO, are also here with us this morning. Will you please stand?

I also want to acknowledge and thank other members of the project team that made this

fantastic development possible. Can you please stand and be recognized.

On behalf of the city, I extend my deepest appreciation and gratitude for your partnership with us. We look forward to working with you to bring many more quality business locates to our great city and region!

And, finally, after one of our key Economic Development staff members spent months on this project, I have a question for Mike Hoover: Do you know how to say 'thank you' in Japanese? If not, it's "adigato-go-zie-moshta." (*phonetic spelling*)

The IRIS USA project aligns perfectly with our city's goal of attracting foreign direct investment from top-notch companies that want to be part of the vision and vitality of Surprise. We could not ask for a better start to the New Year.

Investing in ONE Surprise is all about attracting new businesses and employers that benefit our entire community and enhance our residents' lifestyle.

That means we must have the building blocks in place that are needed to support the types of business, commercial and industrial development we all want.

Our eight-step plan for success includes:

- A unified city government
- A business-friendly environment
- Top-rated schools and a skilled workforce
- The availability of clean and plentiful water
- An efficient transportation system
- A safe and attractive community
- A commitment to providing quality-of-life amenities; and
- An ongoing capital improvement program to ensure the required public infrastructure is in place to effectively address current and future community needs

These are some of the major building blocks needed to create a vibrant, well-balanced city. Therefore, continued focus on development and investment in all these areas is critical in order for our community to thrive.

Let's break these building blocks down further to see how we are doing.

The city of Surprise – as an organization – has never been more unified in its approach to economic development.

Our City Manager Bob Wingenroth has done an outstanding job assembling a stellar team of professionals, who are approaching their various disciplines with renewed energy and focus.

With new economic and community development teams in place, Surprise is poised now, more than ever, to move forward in attracting new businesses, as well as helping existing companies expand.

The city's fresh economic development strategy is not your typical government approach. In fact, we are actually following successful private-sector models to bring jobs to Surprise. And, it's already working.

Our city-to-business engagement strategy, known as C-2-B, is helping international businesses expand operations into Surprise. And we want more foreign direct investment to occur.

Locally, there are more success stories. I'm sure many of you have seen the construction taking place on the new Cobalt Medical facility at Dysart and Bell Road.

The 40-bed rehabilitation hospital will treat injured veterans, first responders, athletes and other patients with head injuries. Cobalt, which is based in Dallas, Texas, expects to employ approximately 150 people when it opens the hospital later this year.

We anticipate Cobalt Medical serving as a magnet to attract other health-care related business to the area. So, we are very excited about the investment Cobalt is making in OUR city.

Job creation and new health-care opportunities are key elements of our Strategic Plan. So Cobalt's \$15 million dollars in private investment will have an immediate and lasting impact on the city's growing reputation as a community of good-paying jobs, and excellent medical services.

This project will also elevate the reputation of Surprise as the place to go for the very best in brain-injury treatment.

While on the topic on new business locates, the 303 Auto Show at Prasada, welcomed two new car dealerships in 2015. Thank you Surprise Ford and Toyota of Surprise for making a significant investment in our city.

Nearly 40 percent of the General Fund is comprised of local sales tax revenue. And that money helps support various city services, including streets and parks maintenance and Police and Fire services.

So, make no mistake, when residents and businesses buy their new cars, big-screen TVs, office supplies or even a cup of coffee, they are making a direct investment in Surprise.

In addition to new business locates, we continue to nurture growth in our small business sector. The AZ TechCelerator – the city’s innovative business incubator – recently graduated its first tenant. And, what a great success story....

MD24 started at the Techcelerator with just three employees and a vision of bringing comprehensive, at-home health care through a network of physicians, nurse practitioners and specialists.

Now, less than five years later, MD24 has more than 100 employees and now operates out of a 10,000-square-foot commercial office space right here in our city!

Thank you MD24 for investing in Surprise.

I could not be more proud to witness this company’s achievement and the success of our city’s business incubator in delivering on a commitment to grow locally.

I’m also pleased to report that many of our existing businesses continue to grow.

Janus International and Southwest Products expanded their operations in 2014. More proof that Surprise is a perfect place to expand your business.

I also want to increase the involvement of our business community with City Hall.

I’m going to start by expanding the Mayor’s Quarterly Business Roundtable. My goal is to increase interaction and communication with local leaders representing small, medium and large companies in our city.

I’m looking for business representatives who really want to participate and work collaboratively with us.

It also gives us a chance to hug the businesses who are already here.

They have invested in Surprise.

We want to make the city even more attractive for new business locates as well as help existing companies expand their operations here.

As I alluded to earlier, having a skilled workforce is one of the essential factors in attracting commercial development to Surprise. And, having skilled workers means having an educated labor pool.

Did you know there is a direct correlation between individual education attainment AND the economic performance of a state or community?

It's true. And there is plenty of data to prove that the more education one obtains, the better results and outcomes not just for the individual, but for the community as a whole where that person lives.

I recently attended a meeting with ASU President Dr. Michael Crow, who was talking about this direct correlation between education attainment and the economic viability of states located in the Southwest.

I asked him to identify what the biggest barrier is to education attainment in Arizona.... and the desire to receive an education beyond high school.

Dr. Crow said the problem here is that education is not at the forefront of Arizonans minds compared to our neighboring states in the Southwest. And, the end result for those of us who call Arizona home is we are all paying the price economically, in one way or another, for not making education a priority.

The takeaway from that conversation with Dr. Crow is consistent with our strategy to build a strong and vibrant Surprise. If we invest in education, we are also making an investment in our community AND in our residents.

Dr. Crow also told us a startling fact- there are actually high schools in Arizona that have never had any of its students continue their education and graduate from college within 6 years.

Let me repeat that There are high schools in Arizona that have never had their students go on and graduate from college within 6 years of graduation.

Folks, this is happening right here in our state!

I found this fact both disturbing and shocking. And so should all of you.

Thank goodness, we don't have that here in Surprise.

But we could, if we don't continually choose to make an investment in education.

All of us know, we have high-performing schools here. But there is no guarantee that will continue without our ongoing investment in education. And, that is a choice every one of us needs to make.

At the minimum, we need to preserve adequate funding levels to avoid laying off hundreds of classroom teachers. Letting classrooms go dark will not translate well to achieving education attainment and a highly productive workforce.

While I hope the override defeat is a temporary setback, today I'm pleased to tell all of you that we are making strides in education attainment for our residents.

In fact, this morning I have another fantastic announcement that will significantly

enhance our educational standing in the region.

Now this project did not happen overnight. In fact, it has taken more than THREE YEARS for it to come to fruition.

These economic development projects take time they take relationship building and they take continuity.

Originally, this project was going to be much smaller in scope and size and located in our downtown Civic Center campus. But, it really wasn't the right approach or even the right location to maximize the education opportunities.

So about three years ago I met with project leaders. I shared my vision for the project that was on a much grander scale.

Now, I must admit, some may have thought I was a little crazy with what I had in mind.

But that's okay. As Richard Branson, the founder of the Virgin Group once said: *"If people aren't calling you crazy, you aren't thinking big enough!"*

And, for this project.... we need to think big!

We showed them a piece of land on Grand Avenue, which I firmly believed would greatly enhance the visibility of the project and the accessibility to students from around the West Valley.

The location would also help rebrand Surprise as a destination for education attainment and training. Plus, it would serve as one of several "show piece" developments along U.S. 60- rethinking, repurposing this vital and historic transportation corridor.

I encouraged them to build a bigger footprint. Why not an entire campus? Their eyes widened at the possibilities for this location. So after walking the parcel, the vision came to life.

And today – ladies and gentlemen – we're thrilled to announce the Western Maricopa Education Center will build a brand new campus at Grand Avenue and Dysart.

As I'm sure you all know West-MEC is a public school district dedicated to providing students with innovative career and technical education programs; programs that enhance their employability for life.

The new West-MEC Northwest Campus in Surprise will serve 900 students daily at build out and primarily offer secondary and technical education for high school students.

But soon, many of the programs will be offered to returning veterans and, eventually, to adults learning new skills to re-enter the workforce.

The campus will offer 12 to 17 programs where students can prepare for careers such as: software/application developers.... electricians.... police officers.... firefighters.... auto and truck technicians.... machinists.... medical/dental assistants.... and cosmetologists.

This new development will enable our younger residents – as well as veterans and adults – to get the training and skills needed to secure a hometown job.

West-MEC will fill a huge niche in our community, because we know that not everyone wants to attend or can afford a four-year university.

This project, expected to begin construction later this year or early next year, will definitely serve as a catalyst to reinvent the Grand Avenue corridor.

Our welcome host this morning, Diane McCarthy, is West-MEC's Director of Government Relations & Business Partnerships. Diane, the city is so very pleased to partner with you in this endeavor.

Thank you West-MEC for investing in Surprise.

At City Hall, we too are continuing our enduring pledge to support education.

That is why we remain steadfast in our commitment to bring a four-year university here.

We must also invest in, and connect with, our youth.

The reason is simple: to provide young people with an active voice in helping shape Surprise for the benefit of future generations.

I'm pleased to report that we are making great strides on this front.

Last fall, the city hired its first-ever Youth Services Administrator, Paul Bernardo. This full-time budgeted position demonstrates Surprise's ongoing investment in our youth.

Last month, we created a new 25-member Surprise Youth Council made up of middle- and high-school students.

These talented young people are so very passionate about their role in creating a new Youth Master Plan to guide Surprise on a path to success.

We have the newly elected youth council officers here with us this morning. So, will all of you and Paul please stand and be recognized?

Another key element to attracting quality commercial development is water.

Water is at the core of nearly everything we do.

You can't attract a new business... welcome new residents... or finish a speech, without it.

That is why the city is taking this limited natural resource very seriously.

We're stepping up efforts to ensure we maintain a plentiful and safe water supply.

It is critical that we make investments now and adopt long-term water policies and plans, which are critically important to the long-term viability of our community.

Another important factor in attracting business and enhancing our residents' lifestyle is transportation, one of my favorite topics!

Let me be clear: transportation equals economic development and jobs! A connected transportation system is paramount to a self-sustaining community. There's no other way to say it.

Economic development is all about on-time delivery of people AND goods – getting people to work and goods to market.

2014 was a good year on the city's transportation front. More projects have either started, or will be later this year.

All of us have been waiting for more than 20 years, but finally the Loop 303 freeway connects from the I-10 to the I-17. This is a **HUGE milestone!**

For the first time ever in the city's history, Surprise is now connected to the regional grid and part of the Phoenix metro area's regional freeway system. Folks, it's all about connectivity!

This connection, which also opens new markets in California, provides tremendous growth opportunities. Just look at what the 101 did to stimulate growth and development in Glendale and Peoria. Now- it's our turn!

With approximately 10 miles of Loop 303 located in Surprise, we are planning for thousands of acres of future commercial development near the freeway.

This will provide us with the opportunity to attract the right types of industries that offer head-of-household jobs for our residents. The economic development opportunities along the 303 are endless.

This aligns perfectly with the City Council's vision of building a vibrant, sustainable community through the creation of new employment centers.

Yes, construction remains at the 303 interchanges at Grand and El Mirage, but you can feel the excitement build as we close in on completion of this very important project for Surprise and the West Valley.

Although a much smaller project in scale, but very important in our hearts, is the completion of Mountain View Boulevard to Grand Avenue.

Sun City Grand and Sun Village residents are thrilled with the new access to shops and restaurants via their golf carts. What an efficient way to travel. Some of you got here that way today, right?

That connectivity is an investment we made in our residents' quality of life. Oftentimes, these are the types of projects that residents see the most and use nearly every day. It's definitely a life changer.

But we can't continue to fill those gaps and meet the increasing transportation needs of our residents unless we have the resources to do so.

Looking ahead, construction will finally begin on the Bell-Grand intersection by the end of this year. The Arizona Department of Transportation's plan to take Bell Road over Grand Avenue and the railroad tracks will bring much-needed relief to one of the most congested intersections in the Valley.

During construction, our city staff is committed to working very closely with ADOT to make sure local business access is maintained and extra efforts are made to enhance signage and way finding. This will be our TOP priority.

We realize that road construction is never pleasant... but, with good planning and a concentration on protecting area businesses, the rewards will be well worth it.

All of us know this is a pivotal project for Surprise. This is one of the true gateways into our city from the Phoenix metro area. This is where people arrive and make their first impression of our great city.

Because of this, the new intersection needs to convey that it's easy to get in and out of our city and make them want to come back.

But, at the end of the day we also want this project to be a showpiece and a point of pride for our residents!

Thus, the Bell-Grand project is much more than improving efficiencies in vehicle movement- it's also about leaving a lasting, positive impression of our city. This is very important, whether they are residents or visitors traveling through Surprise or coming here for the first time. The same holds true for current and prospective businesses.

That is why we are working to incorporate a major public art component into this intersection improvement with our partners at ADOT and MAG.

We will have more details on this in the coming months as well as how our residents, businesses and other community stakeholders can get involved.

But, I can tell you this, the public art project is unique to the valley. It has never been done before. Surprise gets to lead the way!

This gateway serves as a critical starting point for growing and strengthening our brand.

We continue to work with our neighboring cities along Grand Avenue to identify ways to stimulate this very important regional transportation corridor.

In 2012, I joined the Grand Avenue mayors from Phoenix to Surprise with county and ADOT support and made a commitment to work together to create an overall vision for the corridor- a vision that would spur economic development and improve traffic operations with multi-modal transportation options.

While we are not there yet, we have witnessed positive changes.

A widened Grand Avenue with better timed traffic signals are some of these improvements.

But, one thing is for certain – fewer cars and more rapid transit solutions must be part of Grand's future.

Just this past year, we were able to get two of our transportation partners – MAG and Valley Metro – to co-fund a Bus Rapid Transit study on Grand.

Obtaining funding for this study began with the partnership of the Grand Avenue mayors; and as Grand evolves into a vibrant business corridor so will the transit options to serve the people of the Northwest Valley.

Looking more long-term with other transportation projects Surprise must be at the forefront at the discussion for the alignment of Interstate 11.

This route from Canada to Mexico will stimulate trade like never before. We have a real opportunity to not only build a new highway, but a sustainable multi-modal corridor that is about more than transportation. Stacking renewable energy, internet, even water, with transportation infrastructure- We can do that with the I-11.

In making our case for an alignment that will maximize the benefits to the West Valley, the region's leaders must work together and stand behind a **responsible** regional solution.

We have one shot to get this right. The decision we make now will impact generations to come and we want that impact to be a positive one.

Speaking of positive, Parenting Magazine recently named Surprise as one of the Top 10 safest cities in the UNITED STATES. This is great news!

For new businesses and residents who may be deciding whether to move to our city, being one of the country's safest cities is a big deal.

Thank you Chief Frazier and to all of our Surprise police officers for helping us achieve

such a high ranking.

And thanks to all of our residents and businesses who work alongside our police to keep Surprise safe.

As I mentioned earlier, there are so many factors tied to economic development and bringing jobs to a city... and having community amenities is certainly an important one.

13 years ago this city made an investment that resulted in the building of Surprise Stadium and the Surprise Recreation Campus.

That investment brought us two American League champion teams – the Texas Rangers and Kansas City Royals.

By the way, how 'bout those Royals in last year's World Series. It was great to see one of our spring training teams quickly become America's team during the pennant race.

Each year, hotels, restaurants and shops in Surprise enjoy the benefits of people flocking to our city to enjoy our "national pastime." I can't tell you the number of people I meet who are visiting from Texas to support their beloved Rangers.

We are coming off our most successful Spring Training ever and this year's advance ticket sales are up compared to 2014. So, we are looking forward to yet another banner year!

Our award-winning Surprise Recreation Campus is where our community comes together time and time again to enjoy annual festivals and events, as well as a variety of leisure, social, cultural and sports-related activities.

The city's investment in these community amenities are paying off in other ways as well.

One of the things that IRIS USA executives told us was how much they loved the close proximity of our recreation campus to their future building site. To me, that's evidence why investing in quality-of-life amenities- whether it's passive trails and open space, or an active recreational facility- is vital to enhance and sustain a community's vibrancy.

This year, we are adding a new skate park and improving Surprise Farms and Veramonte parks.

We are also investing in our local arts scene, a focus that has not gone unnoticed by our business prospects.

Last summer, the West Valley Arts Council opened the Arts HQ gallery next to City Hall to much acclaim. The quarterly art shows, exhibits, inspiring classes and special events are welcome additions to our civic center campus as we work to grow the area into a signature downtown.

Just a couple miles east of Arts HQ, WHAM's beautiful new gallery space on Dysart Road not only displays and sells beautiful art pieces, but offers rentable studios for local artists as well as art classes for all ages.

We want to see our cultural "scene" grow here in Surprise!

The city's Community Development staff is in the early stages of developing a Public Arts Master Plan, so that art becomes a part of everything we do in moving the city forward.

Art really is that important.

Today, I've spent a lot of time talking about new and upcoming projects.

But one of our most important current initiatives includes a renewed focus on our history and cultural heritage.

We are committed to building ONE SURPRISE, not a tale of two cities.

We are all in this together, young and young-at-heart, bridging our past to our present with a vision for our future and a plan of action to implement it.

Part of that future must include the creation of a Heritage Overlay District in the Original Town Site. City officials want to make certain current needs are being met, while we look for ways to enhance and preserve our historic area.

We must continue to invest in our hometown and **we** must continue to plan for our future. Because if we don't; all the great things that we have achieved by previous investments will go for naught.

Abraham Lincoln once said: *"The best way to predict your future is to create it!"*

I can't agree more with President Lincoln, especially as it relates to how we decide to move forward as a city.

The challenge, of course, is balancing our needs while being responsible stewards of our limited resources.

My first priority right out of the gate when I became mayor was to fix the city's finances and develop sound financial policies to help Surprise grow responsibly. Although Surprise is now operating in the black, the city still faces financial limitations.

What needs to be done in and for Surprise will always exceed the money available. I'm sure you can relate to this as it pertains to the needs and wants in your own personal lives.

Whether it's car repairs, home remodeling, college tuition or family members in need-

the list of things that need financial attention never gets any shorter, does it?

To help prepare for our city's short-term needs, the city's leadership team is currently developing a five-year Capital Improvement Plan. The plan will identify our most urgent necessities in the areas of transportation and water, as well as other infrastructure and quality-of-life needs.

Approving the finances to invest in these needed capital improvement projects is one of the most important responsibilities we face as a city council.

Understanding the magnitude of our capital investments in infrastructure is key to understanding Surprise's ability to diversify our economic base and retain high ratings from bond investment companies.

Some of you may already know that infrastructure is universally defined as roads, utilities, water, sewer and other basic, yet essential physical systems.

Making investments to a city's infrastructure is vital for economic development. It benefits EVERYONE.

Because the reality is economic development increases the standard of living for an ENTIRE community. It is a carefully planned strategy we use to improve the economic and social well-being of our residents.

This is accomplished, in part, by cities using the revenue generated from commercial development to provide the top-notch services our citizens need and have come to expect.

Today, as I stand before you, the city of Surprise is well positioned to take that next step to enhance the well-being of our residents and community as a whole. But, we must also identify the public investments that will be needed to put both our short- and long-range goals and plans into action.

Identification of the needed capital projects to support infrastructure is just the first step in building a city's foundation for quality growth. Your city government – just like when people buy a new car or home – needs funding to make those capital investments possible.

Our streets are getting older, existing water and wastewater facilities require upkeep and new equipment, and our public safety departments must stay on top of the most current technologies and training so that we remain one of the safest cities in the country.

These are just a few of the many, many needs in our community.

So the key question we need to continually ask ourselves is: How do we make sure we

have the infrastructure- the building blocks of our community?

We can't avoid talking about these issues. In fact, we need to address them head on – because it's too important of an issue.

We need to talk about how to make it happen. And, that's exactly what we are doing as your Surprise City Council.

This is a critical point in our city's maturation. So, our community stakeholders – citizens, businesses, education partners, private-sector partners, civic leaders, and others- must come together and have a shared vision on how we can make Surprise a better place and then have the trust in us to help turn that shared vision into reality.

Clearly, these are very important decisions that will have an impact on our community for years, if not decades, to come. So, I encourage everyone to learn as much as you can, engage with us and lend your voice to the conversation. We need your input and we need your support.

Finally, I have two questions for all of you.

By a show of hands, are there any coffee drinkers here this morning? I didn't think so....

And for those who raised their hands, has the coffee kicked in yet?

In all seriousness, the reason I asked those questions is I want to conclude my remarks today with a quote from Howard Schultz.

Many coffee drinkers know Mr. Schultz as the chairman and CEO of Starbucks.

He once said: *"Expect more than others think possible."*

Today, I'm here to tell you that Surprise is moving away from being a bedroom community and transforming into a global community with world-class aspirations."

Now, you may be asking yourselves what the heck does that mean.

What it means and the only way we can achieve this vision is to be the very best in EVERYTHING we do.

World-class means being competitive... having the best schools and skilled workforce... being attractive to foreign investment and trade... having an efficient transportation system... and being committed to ensuring our infrastructure and community needs are being met.

A global community also means not settling for second best.... never getting too comfortable.... being nimble enough to innovate... and responsive to the pace of a global economy.

The Digital Age has made the world a smaller place. The internet connects us to the global marketplace and we must support our businesses in helping them meet the immediate needs of our consumers.

That is how you grow a sustainable economy.

Developing a global brand takes time, but if anyone knows anything about creating a brand it would certainly be Mr. Schultz. After all, he started with only six coffee shops in Seattle. We have nearly a half dozen here in Surprise.

Now what does Surprise have to offer the rest of the world? Ask Chet Kaizer from IRIS, José Maria Villanueva from Rioglass or Kevin Burnette from Southwest Products.

The key is we need to expect more than what others think is possible.

We are the 10th largest city in Arizona and destined for greatness.

This type of thinking, this type of vision needs to start with all of us in this room today. It needs to start with business, civic and education leaders.

And today, I'm asking you to join me as we embark on this journey together as we "J.E.T. off" so to speak, to new destinations to market the Surprise brand.

We're already well on our way there.

I look forward to taking the next steps with all of you.

Thank you.